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QCAM MONTHLY

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No 1990s Déjà-vu

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QCAM Insight

No 1990s Déjà-vu

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QCAM Currency Asset Management AG

The economic and FX impact of the US mid-term elections is smaller than the political implications, but still significant. Not many changes will be immediate, but the relief is huge and the expected moderation in foreign, trade, regulatory, fiscal and monetary policies argue for a softer USD outlook until year end. Basic fundamentals are likely to take over after a while, but for the time being we go with the bearish USD sentiment.

The outcome of the US mid-term elections has given the Democrats a sweeping majority in both chambers of Congress as well as several new state governorships. President Trump already accepted the election results and said that he is willing to work with the Democrats. Whether Trump will stick to his words and how much he will try to rule by decree and use his presidential veto-power is unclear. An important restraint on the President's ability to rule at his will is likely to come from the Republican party. Republicans are the biggest election losers and had to realize overnight that they won't win any more elections in Trump's shadow. That probably means also that Trump's inner circle will become more outspoken and restrain the President when he tries to go it alone.

First signs of change are likely to become visible in the conflict with Iran. In our view, the risk of a renewed escalation has declined significantly, and we expect that to become visible in falling oil prices. Another uncertainty is the debt ceiling, which is expected to be reached by the middle of 2027. Republicans still have majorities in both houses of Congress until the new term begins in January and could try to extend the debt ceiling via a reconciliation bill. If they succeed it is unlikely to contain extra stimulus measures. That would calm some deficit concerns and take the pressure off Treasury yields

A bearish USD sentiment for now

More broadly, we expect that the outcome of the mid-term elections will result in a moderation of US policy in four key areas. First, a less confrontational foreign policy approach, especially versus the Western partners. Second, no further trade bullying. The existing tariffs and trade agreements are unlikely to be changed soon, but the risk of further trade tensions is set to fade. Third, less laissez fair and more regulatory oversight, notably in relation to AI. We doubt future regulation will stop the AI boom, but it may slow the pace and, thus, reduce overheating and bubble risks. Fourth, no fiscal scope for tax cuts or large-scale budget expansions.

In total, we believe the changes will take some pressure off inflation and allow monetary policy to lean less against the wind. In combination, we think the expected changes and the respective market reaction will lead to a softer USD environment over the next few months. In response and given that net USD speculative positions are massively overbought, we have shifted all our discretionary macro positions to short USD. However, we are not under the illusion that this will be a longer trend. Over time, basic fundamentals, especially relative economic performances, will again become the main drivers of FX movements.

A very different policy environment

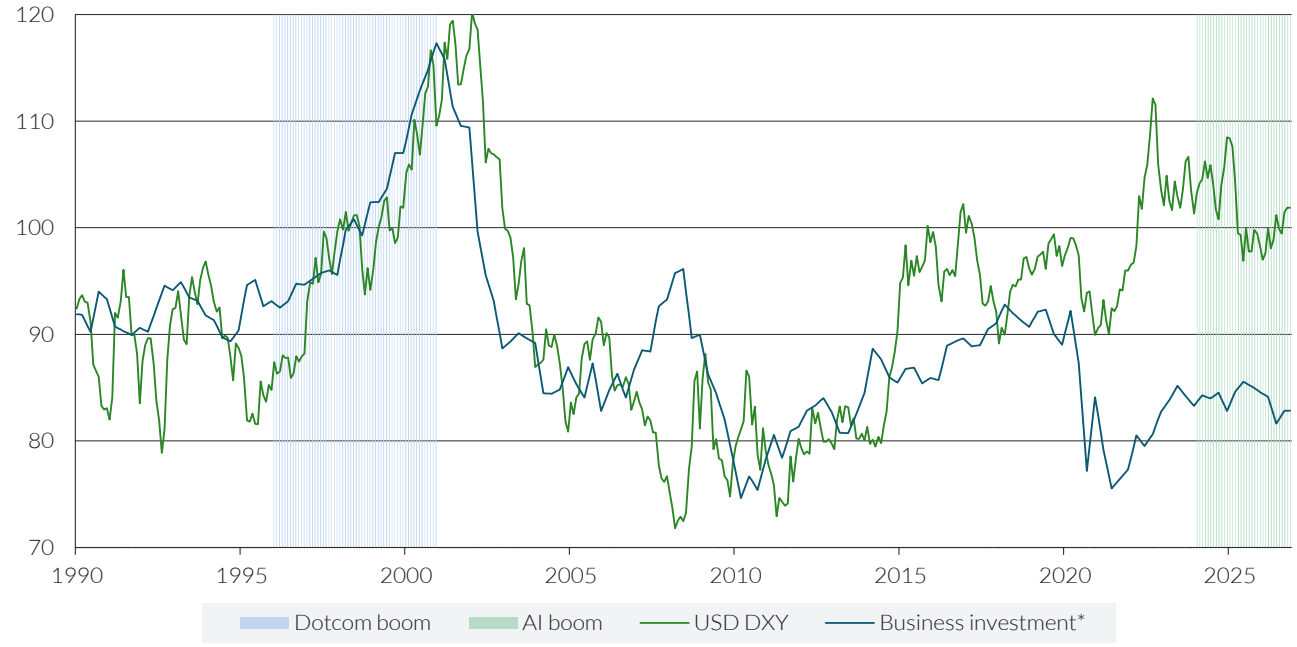
An important USD bullish factor is the AI boom, which lifts investment spending, bolsters GDP growth and attracts foreign equity capital inflows. Some see strong

parallels to the dotcom boom in the second half of the 1990s, which boosted growth and foreign capital inflows and resulted in a 30% appreciation of the USD DXY over a six-year period. As stated before, we think the AI boom will continue, albeit moderated, and have a positive impact on investment, growth and foreign equity capital inflows, but conditions are very different from the 1990s in our view and less supportive of a USD rally as seen during the dotcom boom.

First, the geopolitical environment is very different. The 1990s were shaped by the end of the cold war and the US was the undisputed global superpower. Second, globalization and free trade were on the rise. Third, immigration policies were relaxed resulting in huge labor force inflows. Fourth, deregulation opened new business opportunities. Fifth, fiscal policy was focused on deficit reduction, resulting in budget surpluses by the late 1990s. Overall, the 1990s were a supply-side and investment-friendly period, which produced a strong growth and low inflation environment that was ideally suited for the adoption of the internet.

Today's political, policy and economic conditions point largely in the opposite direction. As a result, growth is lower, inflation is higher and the AI boom is very concentrated and not spreading through the entire economy. In contrast to the 1990s, overall business investment today is relatively sluggish and unlikely to support the sort of USD rally as seen during the dotcom boom (see chart). This could change if political and policy conditions improve. If not, at least the downside for the USD may not be as big as it was after the dotcom bubble burst.

USD DXY and US business investment



*Index of US domestic nonfinancial business investment relative to EBITDA (1998=100).

Sources: US Federal Reserve Board, US Bureau of Economic Analysis and QCAM

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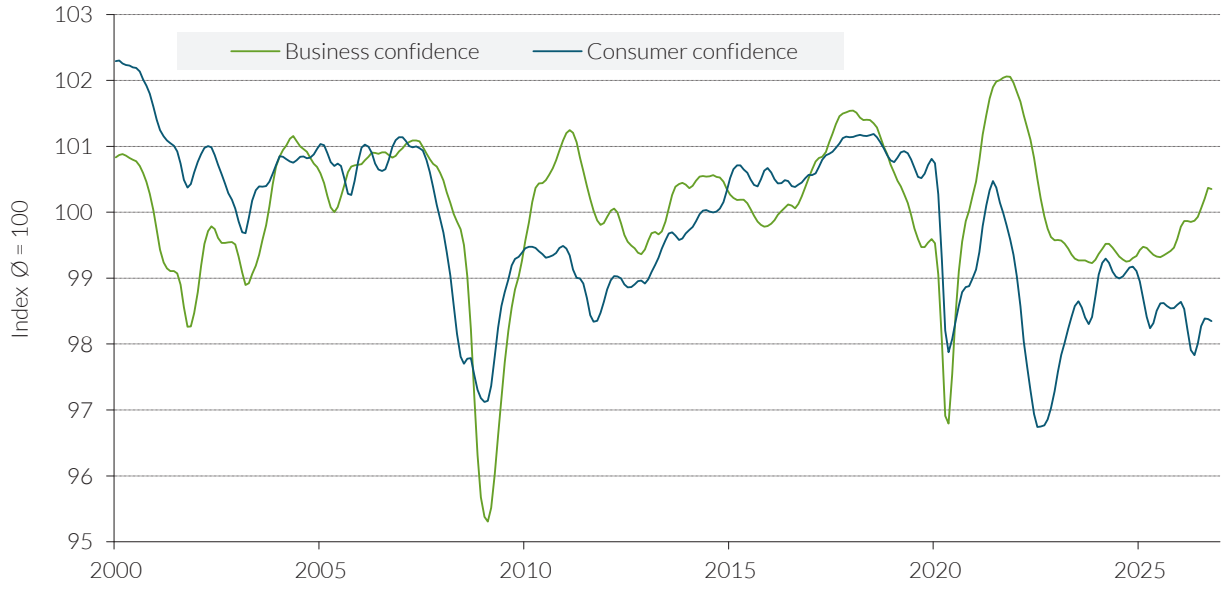
Economy & Interest Rates

Global economic conditions remain resilient despite ongoing oil supply shortages and rising interest rates. Business sentiment stabilized in October after several months of improvements while consumer confidence stagnates at lower levels. The US remains the global growth engine, powered by AI investment, but the outcome of the mid-term elections is expected to moderate the growth and fiscal policy profile. Thus, the US lead is likely to narrow in 2027. Importantly, there are positive growth revisions elsewhere, notably in the Euro area. The negative impact of the oil supply shock on inflation is not undone. Central banks will raise interest rates further to contain inflation, but we do not expect significantly more tightening. The inflation pressure is viewed as less dramatic as in 2022, growth conditions are softer and monetary policy stances are not super easy. We expect the Fed and the ECB to hike one more time 25bps each, while we look for 100bps of cumulative rate hikes from the BoJ until the end of 2027.

	Real GDP growth[1]		Unemployment rate[1]		Inflation rate[1]		Current account[2]		Fiscal balance[2]		Public debt[2]	
	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027
Global	3.1	3.3	n.a.	n.a.	3.8	2.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developed	2.1	2.1	n.a.	n.a.	3.5	2.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
USA	2.3	2.3	4.2	4.0	3.6	2.8	-3.9	-3.8	-8.5	-7.8	127	129
Canada	1.1	1.8	6.5	6.3	2.8	2.5	0.2	-0.2	-2.5	-2.4	113	113
Euro-area	1.1	1.4	6.3	6.2	3.1	2.5	1.2	1.3	-3.6	-3.6	88	88
Sweden	2.5	2.2	8.5	8.1	1.1	1.8	7.3	6.4	-2.5	-2.0	35	36
Switzerland	1.8	1.2	3.0	3.0	0.7	0.8	6.2	6.5	-0.2	-0.1	38	38
UK	1.4	1.3	5.3	5.3	3.3	2.7	-3.3	-3.2	-3.8	-3.1	102	102
Japan	0.8	1.0	2.5	2.5	2.0	2.4	4.6	4.3	-2.5	-2.2	200	196
Australia	2.0	1.8	4.4	4.6	3.9	3.1	-2.6	-3.1	-3.1	-2.7	53	53
Emerging	4.1	4.0	n.a.	n.a.	4.4	3.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China	4.5	4.0	5.1	5.2	1.0	1.0	4.0	3.9	-8.0	-8.3	104	109
India	7.0	7.0	n.a.	n.a.	5.0	4.4	-1.5	-1.3	-7.5	-7.2	83	81
Russia	0.9	1.2	2.2	2.4	6.1	5.5	3.8	3.1	-3.2	-3.2	19	22
Brazil	1.8	1.5	6.0	6.2	4.4	4.6	-2.4	-2.0	-8.1	-7.7	97	99

Source: OECD, IMF World Economic Outlook and QCAM estimates [1] In percent annual average [2] In percent of GDP

OECD business and consumer confidence*



Source: OECD and QCAM *The last observations are QCAM estimates based on other surveys

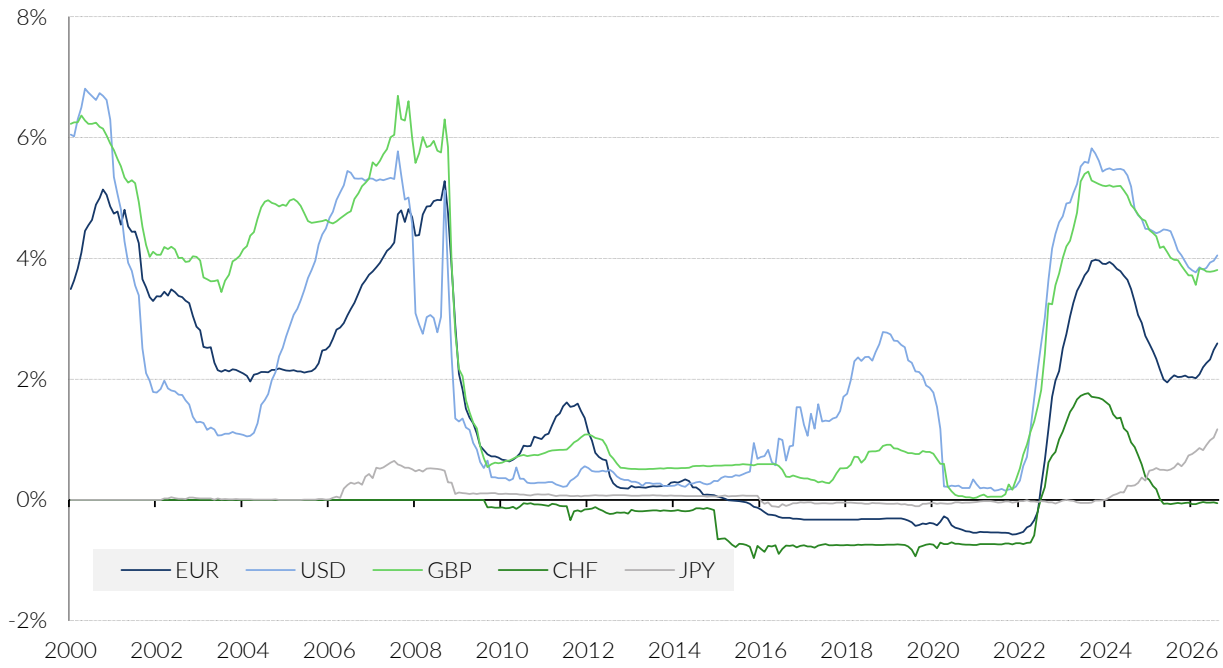
Interest Rates

Interest Rate Level Overview

	Short Term Interest Rate (3month OIS)					Long Term Interest Rate (10year Swap)				
	Current	1M ago	3M ago	12M ago	Ø 3 years	Current	1M ago	3M ago	12M ago	Ø 3 years
USD	4.04%	4.00%	3.73%	3.78%	4.39%	4.46%	4.82%	4.17%	3.61%	3.84%
EUR	2.77%	2.60%	2.50%	2.01%	2.77%	3.30%	3.51%	3.06%	2.61%	2.72%
JPY	1.35%	1.29%	1.05%	0.56%	0.50%	2.72%	2.95%	2.70%	1.51%	1.49%
GBP	4.03%	3.92%	3.77%	3.86%	4.38%	4.69%	4.91%	4.50%	3.93%	4.08%
CHF	-0.03%	-0.04%	-0.05%	-0.07%	0.47%	0.65%	0.79%	0.64%	0.40%	0.72%
AUD	4.89%	4.68%	4.39%	3.59%	4.14%	4.97%	5.25%	4.79%	4.17%	4.40%
CAD	2.60%	2.40%	2.30%	2.25%	3.26%	3.84%	4.11%	3.65%	3.19%	3.58%
SEK	2.02%	1.91%	1.81%	1.74%	2.53%	3.21%	3.41%	3.05%	2.72%	2.75%
RUB	13.40%	16.70%	13.30%	16.50%	17.09%	12.90%	12.90%	12.90%	12.51%	11.80%
BRL	12.31%	11.87%	12.71%	13.49%	11.76%	15.01%	13.91%	14.17%	13.28%	13.00%
CNY	1.38%	1.44%	1.43%	1.60%	1.72%	1.45%	1.56%	1.58%	1.68%	1.80%
TRY	36.73%	37.55%	39.55%	40.25%	45.00%	32.19%	31.38%	30.61%	29.66%	28.16%
INR	5.94%	5.69%	5.42%	5.48%	6.04%	6.75%	6.93%	6.59%	5.90%	6.29%

Source: QCAM Currency Asset Management, as of November 4th, 2026

3-month Rates



Source: QCAM Currency Asset Management, as of end of October 2026

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FX Markets

FX Performance vs. PPP

The USD DXY fell 0.4% over the last month mostly driven by the outcome of the US mid-term elections. The gains versus the USD were not led by the EUR and the JPY with the SEK performing best. The performance of EM currencies was very mixed with the BRL plunging 4.6% after the presidential election. Speculative positions are extremely long USD, with the EUR, the GBP and the AUD most oversold. Short-term interest rates moved slightly higher pricing in more potential rate hikes, while the previous upward move in long-term interest rates was partly reversed.

The cost of forward hedging versus the USD was broadly stable and remains elevated with USDCHF and GBPCHF hedging still most expensive. Actual and implied FX volatilities were mostly lower with the biggest decline in USDJPY. Actual and implied FX volatilities stayed all well below their long-term averages. Higher inflation everywhere has not changed the trend of PPP estimates. So far, the USD remains broadly overvalued (14% for the USD DXY) with JPY the most undervalued and AUD, CHF and EUR closest to fair value.

Overview

	Current Exchange Rate	Performance[1]				Purchasing Power Parity[2]		
		YTD	1M	12M	5 years	PPP	Neutral Range	Deviation[3]
EURUSD	1.124	-4.27%	-0.20%	-2.17%	-2.70%	1.22	1.09 - 1.35	-8%
USDJPY	158.290	0.93%	0.27%	3.06%	39.24%	107.27	95.16 - 119.37	48%
GBPUSD	1.347	0.15%	1.81%	3.40%	-0.15%	1.53	1.36 - 1.69	-12%
EURCHF	0.918	-1.44%	-1.69%	-1.28%	-12.90%	0.83	0.79 - 0.88	11%
USDCHF	0.817	2.95%	-1.51%	0.91%	-10.49%	0.76	0.67 - 0.84	7%
GBPCHF	1.100	3.09%	0.27%	4.33%	-10.63%	0.96	0.88 - 1.05	15%
CHFJPY	193.776	-1.96%	1.81%	2.13%	55.56%	97.45	86.45 - 108.46	99%
AUDUSD	0.702	5.16%	0.96%	8.07%	-5.13%	0.76	0.67 - 0.85	-8%
USDCAD	1.396	1.77%	-2.06%	-0.92%	12.03%	1.24	1.15 - 1.32	13%
USDSEK	9.726	5.46%	-3.16%	1.50%	13.13%	8.81	7.82 - 9.81	10%
EURSEK	10.927	0.96%	-3.34%	-0.69%	10.05%	8.84	8.31 - 9.38	24%
USDRUB	81.783	3.35%	-2.26%	0.98%	14.54%	73.71	54.28 - 93.15	11%
USDBRL	5.462	-0.98%	4.56%	1.25%	-2.80%	4.04	2.48 - 5.60	35%
USDCNH	6.673	-4.39%	-0.51%	-6.48%	4.29%	7.04	6.47 - 7.62	-5%
USDTRY	50.020	16.44%	1.79%	18.86%	415.52%	37.00	29.21 - 44.79	35%
USDINR	94.302	4.86%	-2.07%	6.30%	26.58%	84.98	78.25 - 91.71	11%
US Dollar Index	101.509	3.24%	-0.41%	1.28%	7.59%	88.70	82.86 - 94.53	14%

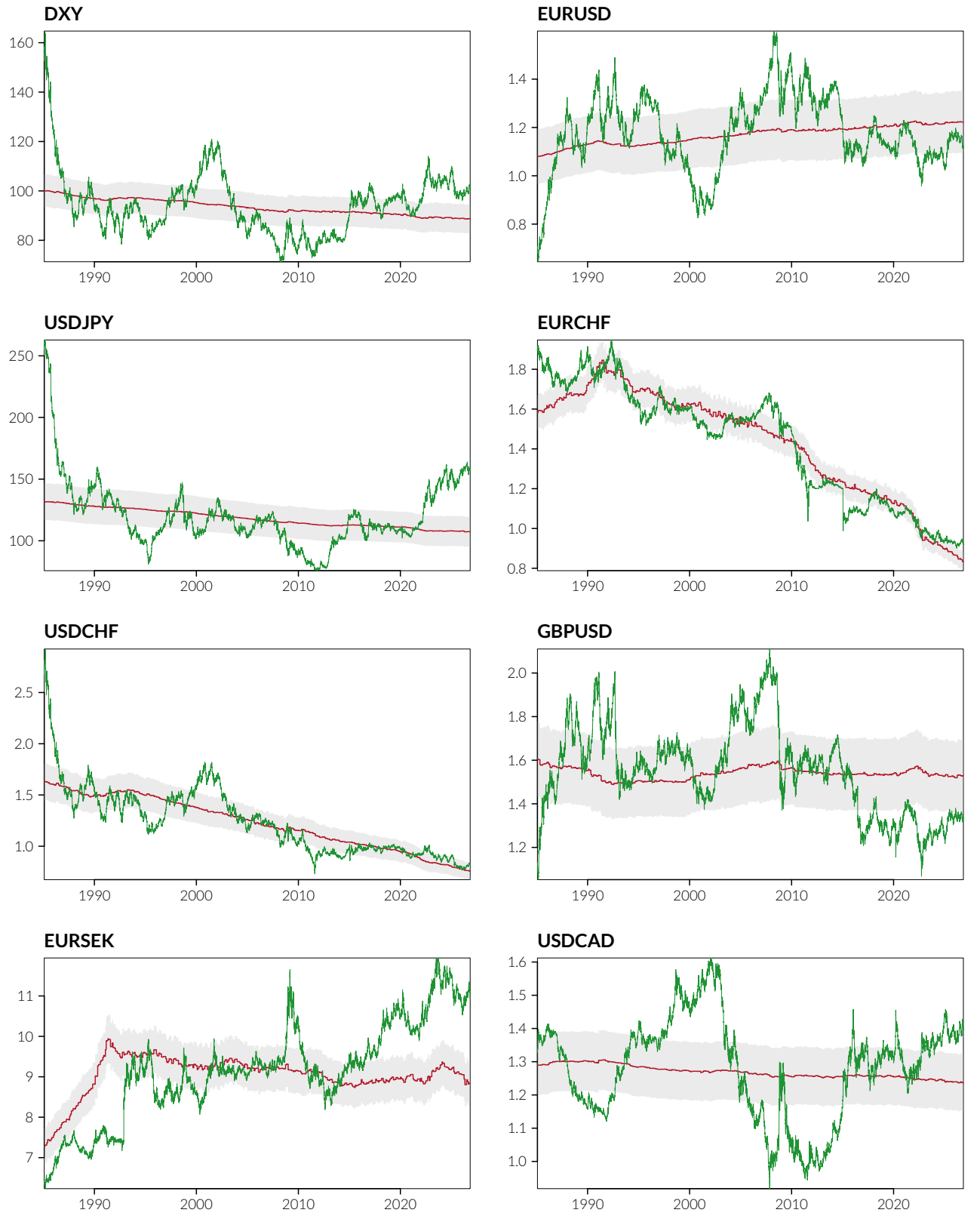
[1] Performance over the respective period of time, in percent

[2] Purchasing power parity (PPP) is estimated based on the relative development of inflation rates in two currency markets; the neutral range is determined by ± 1 standard deviation of the historical variation around the PPP value.

[3] Deviation of the current spot rate from PPP, in percent.

Source: QCAM Currency Asset Management, as of November 4th, 2026

Purchasing Power Parity



Source: QCAM Currency Asset Management, as of November 4th, 2026

PPP Spot Neutral Range

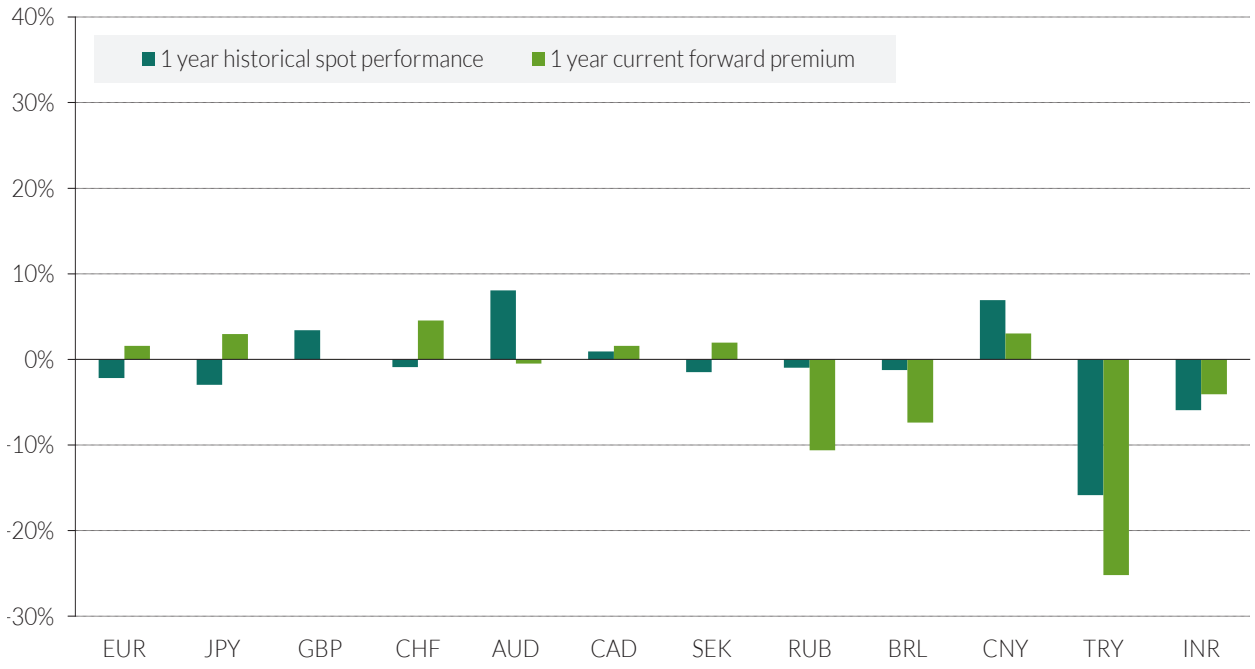
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FX Spot vs Forwards

FX Forwards Level and Premium

	Current Exchange Rate	Forward Level			Premium p.a.		
		1M	3M	12M	1M	3M	12M
EURUSD	1.124	1.1249	1.1280	1.1411	1.42%	1.52%	1.54%
USDJPY	158.290	157.9092	157.0830	153.7310	-2.79%	-2.92%	-2.83%
GBPUSD	1.347	1.3472	1.3474	1.3468	-0.02%	0.06%	-0.03%
EURCHF	0.918	0.9156	0.9110	0.8915	-2.71%	-2.82%	-2.80%
USDCHF	0.817	0.8140	0.8077	0.7813	-4.13%	-4.32%	-4.27%
GBPCHF	1.100	1.0965	1.0882	1.0521	-4.14%	-4.26%	-4.30%
CHFJPY	193.776	193.9993	194.4940	196.7706	1.34%	1.42%	1.52%
AUDUSD	0.702	0.7011	0.7003	0.6981	-0.82%	-0.70%	-0.49%
USDCAD	1.396	1.3945	1.3906	1.3746	-1.54%	-1.64%	-1.54%
USDSEK	9.726	9.7093	9.6718	9.5399	-1.98%	-2.13%	-1.88%
EURSEK	10.927	10.9219	10.9092	10.8863	-0.56%	-0.63%	-0.37%
USDRUB	81.783	82.5790	84.1025	91.4989	10.95%	11.10%	11.62%
USDBRL	5.462	5.4953	5.5626	5.8964	7.07%	6.90%	7.80%
USDCNY	6.673	6.6572	6.6202	6.4761	-2.66%	-2.76%	-2.89%
USDTRY	50.020	51.2747	53.8042	66.8630	28.22%	29.60%	33.21%
USDINR	94.302	94.5768	95.4535	98.2900	3.39%	4.68%	4.15%

Historical Spot Performance and Current Forward Premium vs. the US Dollar



Source: QCAM Currency Asset Management, as of November 4th, 2026

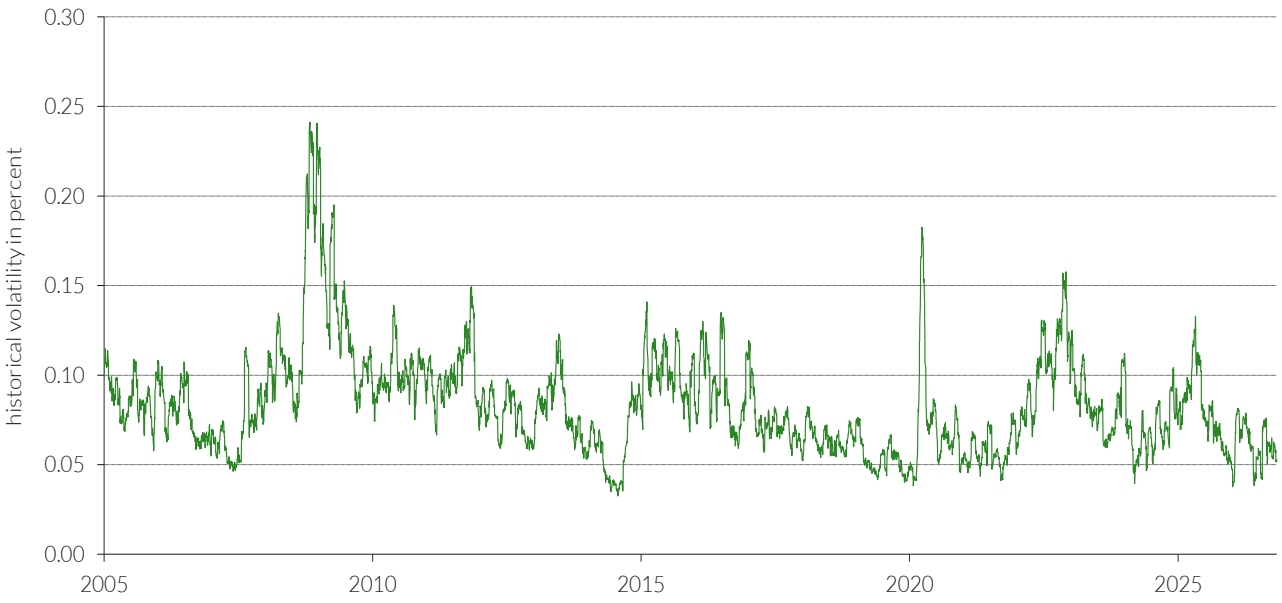
FX Volatility

Historical vs. Implied Volatility

	Current Exchange Rate	Historical Volatility [1]				Implied Volatility [2]			
		Current	1M	12M	Ø 5 years	Current	1M	12M	Ø 5 years
EURUSD	1.124	5.09%	4.98%	6.10%	7.43%	5.80%	6.45%	5.75%	7.19%
USDJPY	158.290	7.57%	9.87%	8.41%	10.01%	7.42%	8.84%	8.65%	9.80%
GBPUSD	1.347	4.99%	5.36%	6.28%	8.06%	5.76%	6.56%	6.95%	7.98%
EURCHF	0.918	4.77%	4.77%	2.87%	5.20%	4.95%	5.75%	4.22%	5.58%
USDCHF	0.817	6.54%	7.26%	6.61%	7.97%	6.73%	7.45%	6.70%	7.54%
GBPCHF	1.100	4.75%	5.18%	4.56%	6.65%	5.39%	6.15%	6.28%	7.08%
CHFJPY	193.776	7.20%	7.76%	5.98%	8.26%	7.19%	8.94%	7.15%	8.85%
AUDUSD	0.702	5.84%	6.46%	6.97%	10.09%	7.14%	7.90%	8.10%	9.97%
USDCAD	1.396	4.28%	4.53%	3.54%	5.89%	4.37%	4.40%	4.32%	6.02%
USDSEK	9.726	7.29%	7.93%	8.12%	11.03%	8.91%	9.59%	8.49%	10.97%
EURSEK	10.927	4.26%	4.34%	4.45%	6.29%	5.71%	5.56%	5.20%	6.55%
USDRUB	81.783	10.83%	10.90%	13.30%	23.09%	22.94%	23.20%	22.95%	29.34%
USDBRL	5.462	20.24%	8.71%	9.01%	12.76%	14.65%	17.82%	11.63%	14.99%
USDCNY	6.673	1.58%	1.70%	2.16%	4.24%	2.05%	2.31%	2.98%	5.02%
USDTRY	50.020	1.21%	1.21%	1.46%	8.90%	9.07%	10.78%	12.85%	19.99%
USDINR	94.302	5.25%	4.12%	3.80%	3.96%	4.91%	4.95%	3.70%	4.53%

[1] Realised 3-month volatility (annualised) [2] Market implied 3-month volatility (annualised)

QCAM Volatility Indicator[3]



[3] The QCAM volatility indicator measures general volatility in global FX markets; the indicator is based on historical volatility of the main exchange rates, which are weighted by trading volume.

Source: QCAM Currency Asset Management, as of November 4th, 2026

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FX Analytics

QCAM has an analytical framework to take scalable exchange rate positions. The QCAM exchange rate strategy for each currency pair has three principal components:

- Macro
- Business Sentiment
- Technical

The positioning signals from each component are aggregated into an overall positioning score for each currency pair.

The Macro component consists typically of economic growth, balance of payments, fiscal and monetary policy and in some cases commodity fundamentals. The positions are either discretionary or model driven.

The Business Sentiment component is a rule-based framework built on business surveys.

The Technical component consists primarily of the technical analysis of daily exchange rates (trend following and mean reversion).

The summary table below and the following pages show the QCAM strategy framework and the positioning for the major currency pairs actively covered by QCAM. The tables break each of the three strategies into subcomponents with an indication of the current impact. The charts show the respective exchange rate with past QCAM positions and their scale.

October 2026 — Current positioning

There have been several position changes over the last four weeks. We changed the discretionary Macro positions to long EUR, GBP, and CAD (see Insight, page 1). In Business Sentiment, there have been no directional changes, but the short USD positions increased, and the overall Business Sentiment position is now 80% short USD. In Technical, there have been three directional position changes: from long to neutral JPY, from short to long GBP and from neutral to short SEK. On balance, the Technical position is 50% long USD. The balance of all strategy positions is now 40% short USD with the biggest short USD positions versus the JPY, the GBP and the CHF and only the CAD position at neutral. The EUR crosses are slightly short versus the CHF and slightly long versus the SEK.

Overview[1]

	Macro	Business Sentiment	Technical	Comment
EURUSD	+	++	–	Macro shifted to long EUR and the overall position is one third long EUR as well.
USDJPY	–/–	––	0	Technical shifted to neutral, reducing the balance of all strategy position to 60% long JPY.
EURCHF	–	–	+	The long EURCHF position declined and the short USDCHF Macro and Business Sentiment positions increased. The overall position is slightly long CHF versus the EUR and 50% long CHF versus the USD.
USDCHF	––	––	+	
GBPUSD	+	++	+	Macro and Technical shifted to long GBP, leaving the balance of all strategy positions 55% long GBP.
EURSEK	0/+	––	++	Technical went short SEK, shifting the overall position to slightly short SEK.
USDCAD	–	–	++	Macro went long CAD, leaving the balance of all strategy positions roughly at neutral

[1] The signs relate to the first currency of the exchange rate pair ; ++ or –– means 100% long or short; */* means split strategy position.

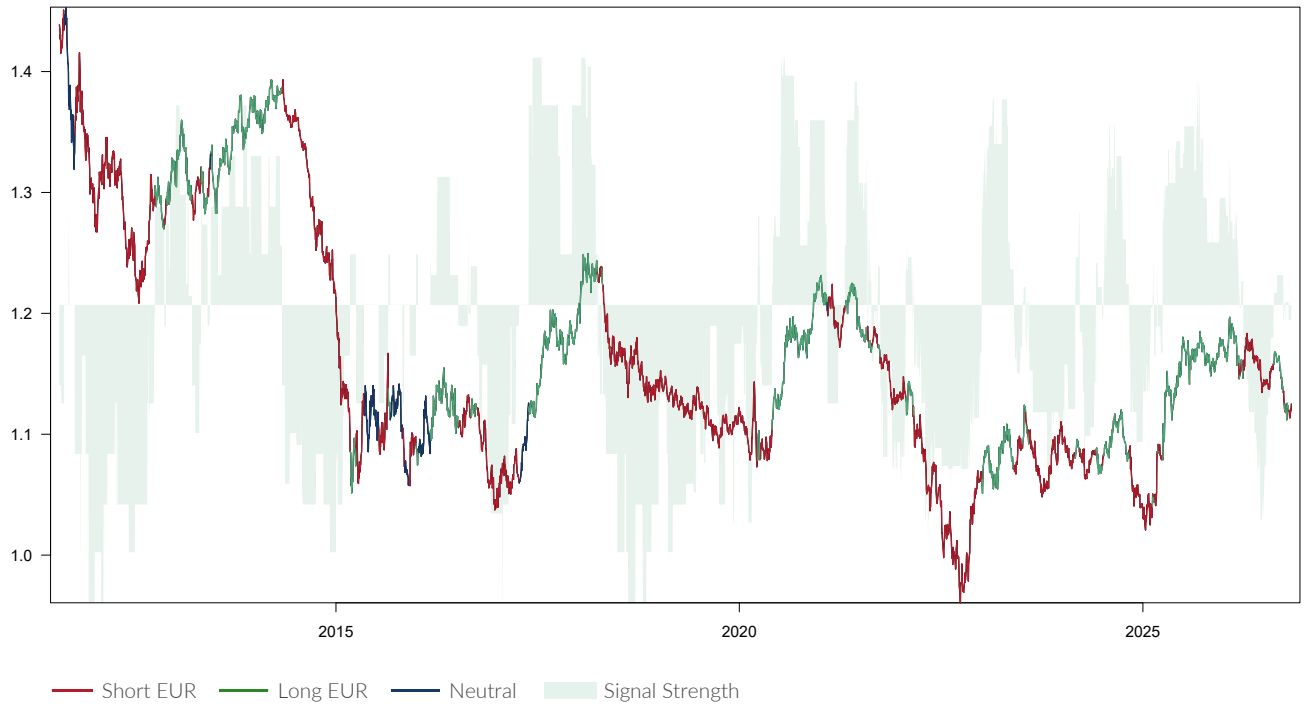
Source: QCAM Currency Asset Management

EURUSD

We have shifted the discretionary Macro position to long EUR on a generally more bearish USD view (see Insight page 1). The Euro economy is more resilient than feared despite the ongoing oil supply shock and business surveys point to a sustained upward momentum. The US economy continues to outperform, but the lead is narrowing and the outcome of the mid-term elections is on balance USD bearish. We expect that both the Fed and the ECB will hike rates by 25 to 50 bps over the next six months, but the ECB could be earlier. The main risks for the EUR are fiscal concerns, notably in France, and general political uncertainty probably. The USD retains a carry advantage, but we think Fed repricing has peaked, and it needs a new USD positive or EUR negative surprise to push EURUSD down until year end. Business Sentiment increased to 70% long EUR and Technical is 30% short EUR, leaving the balance of all strategy positions 33% long EUR.

	FX Factors	EUR Impact	Comment
Macro	Current Account Balances	0/+	Rising energy prices raised Euro-area import bill temporarily but surplus to remain versus US deficit
	Fiscal Balances	0	Euro-area deficit likely to rise but remains below the US deficit
	Interest Rate Differentials	0	Similar probabilities of rate hikes by ECB and Fed in 2026/27
Sentiment	Business Sentiment	+	The momentum of Euro-area surveys moved ahead versus that of US surveys
	Risk Sentiment	0/–	Global and national political uncertainties prevail
Technical	Price Action	–	Technical stayed short EUR
	Spec Positions	+	Net position are extremely oversold EUR
	PPP Valuation	0	EUR is 8% below fair value

EURUSD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

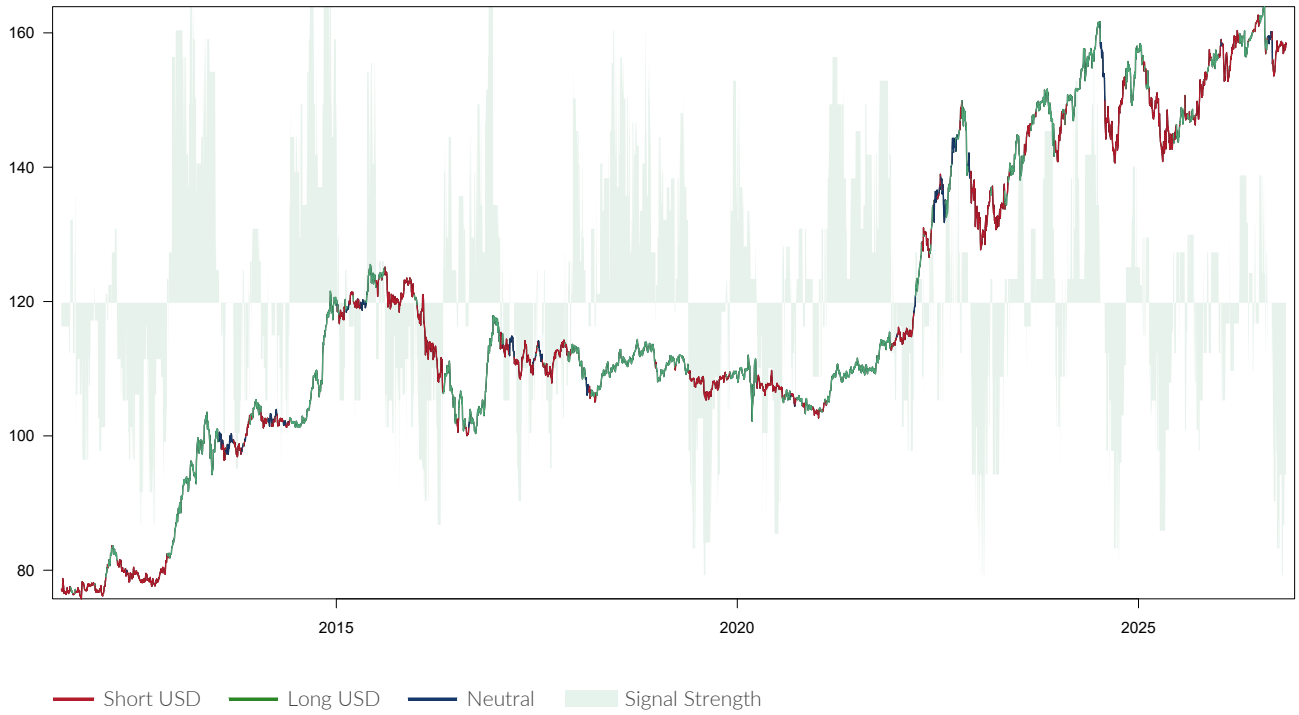
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USDJPY

We maintain the long JPY discretionary Macro position. The economy is growing solidly, the current account surplus is maintained despite the rise in oil prices, inflation has declined but is still too high for public comfort and likely to rise again. The BoJ stated that the long-term inflation target has been achieved, implying that stimulative monetary policy is no longer needed. Against that background, we expect the BoJ to continue policy normalization, hiking 100bps until the end of next year. Given high and rising interest rates, we expect Japanese pension funds and insurance companies to allocate more to the domestic bond market. We believe fundamentals and policy changes will strengthen the JPY's safe-haven character and reduce its funding appeal for carry trades. Business Sentiment stayed long JPY and Technical shifted to neutral, reducing the balance of all strategy positions to 60% long JPY.

	FX Factors	JPY Impact	Comment
Macro	Current Account Balances	+	Rising energy prices have failed to put a dent into Japan's sizable current account surplus
	FDI Flows	–	Net outflows largely offset current account surplus
	Interest Rate Differentials	+	The Macro carry model stayed long JPY
Sentiment	Business Sentiment	++	The momentum of Japanese Business Sentiment is stronger versus that of US surveys
	Risk Sentiment	0/+	First signs that the safe-haven character is recovering
Technical	Price Action	0	Technical went neutral
	Spec Positions	–	The net position is overweight JPY
	PPP Valuation	+	The JPY is currently about 48% undervalued

USDJPY and QCAM Strategic Positioning



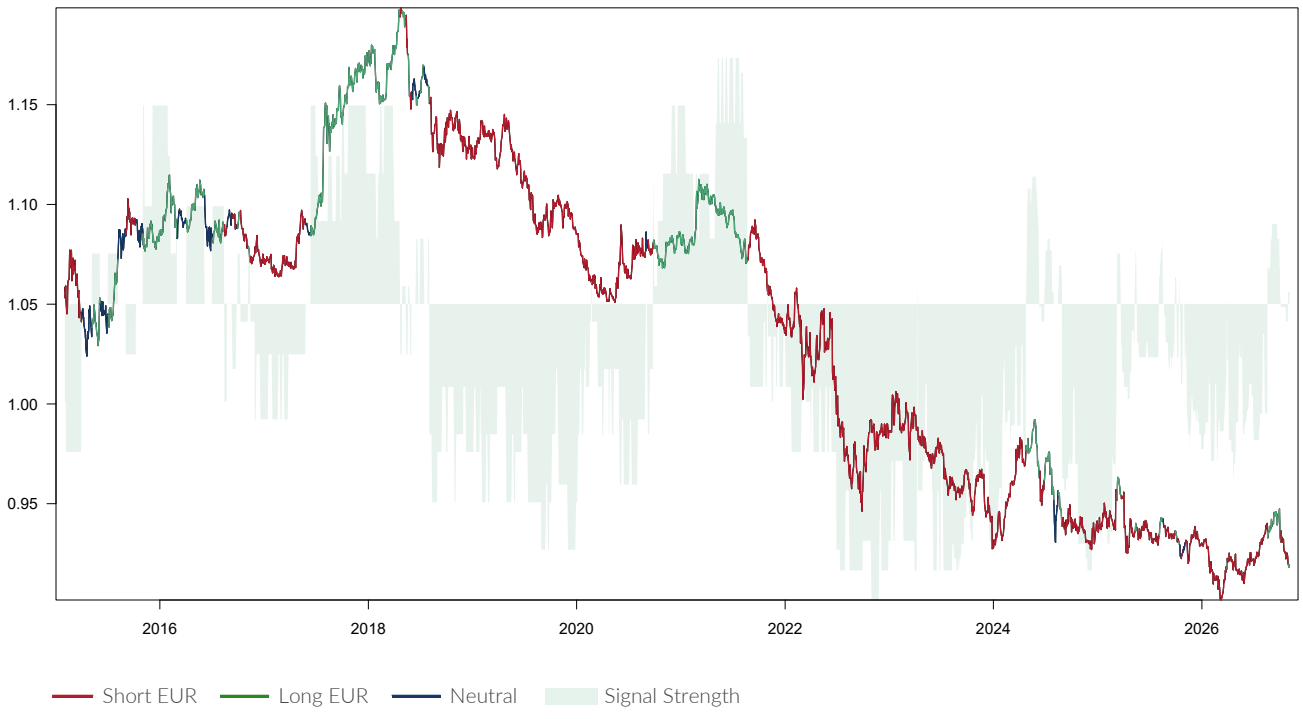
Source: QCAM Currency Asset Management

EURCHF

We maintain the long CHF discretionary Macro position. Swiss fundamentals remain solid, especially the support from external and fiscal positions. Swiss inflation is still low but rising. We do not expect the SNB to hike rates this year, but we think the pendulum has moved from an easing bias to a tightening bias. We also believe the SNB has become more relaxed about CHF strength, given the recent weakness and changes in macro and policy conditions. As a result, we expect no major FX interventions also to avoid escalating the conflict with the US. Further upside potential for the CHF comes from possible tensions in the Euro-area and reductions in carry trades. Business Sentiment stayed long CHF and Technical remained short CHF, leaving the balance of all strategy positions slightly long CHF versus the EUR.

	FX Factors	CHF Impact	Comment
Macro	Current Account Balances	+	Surplus remains steady support for CHF despite higher oil prices
	Interest Rate Differentials	0	SNB expected to keep interest rates unchanged until year end
	SNB Policy Intervention	0	Limited risk of significant SNB FX interventions
Sentiment	Business Sentiment	+	The Swiss economy moved ahead of the Euro-area economy in the surveys
	Risk Sentiment	0/+	Tensions in the Euro-area revives the CHF's safe-haven appeal
Technical	Price Action	–	Technical stayed short CHF
	PPP Valuation	0	The CHF is 11% undervalued versus the EUR

EURCHF and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

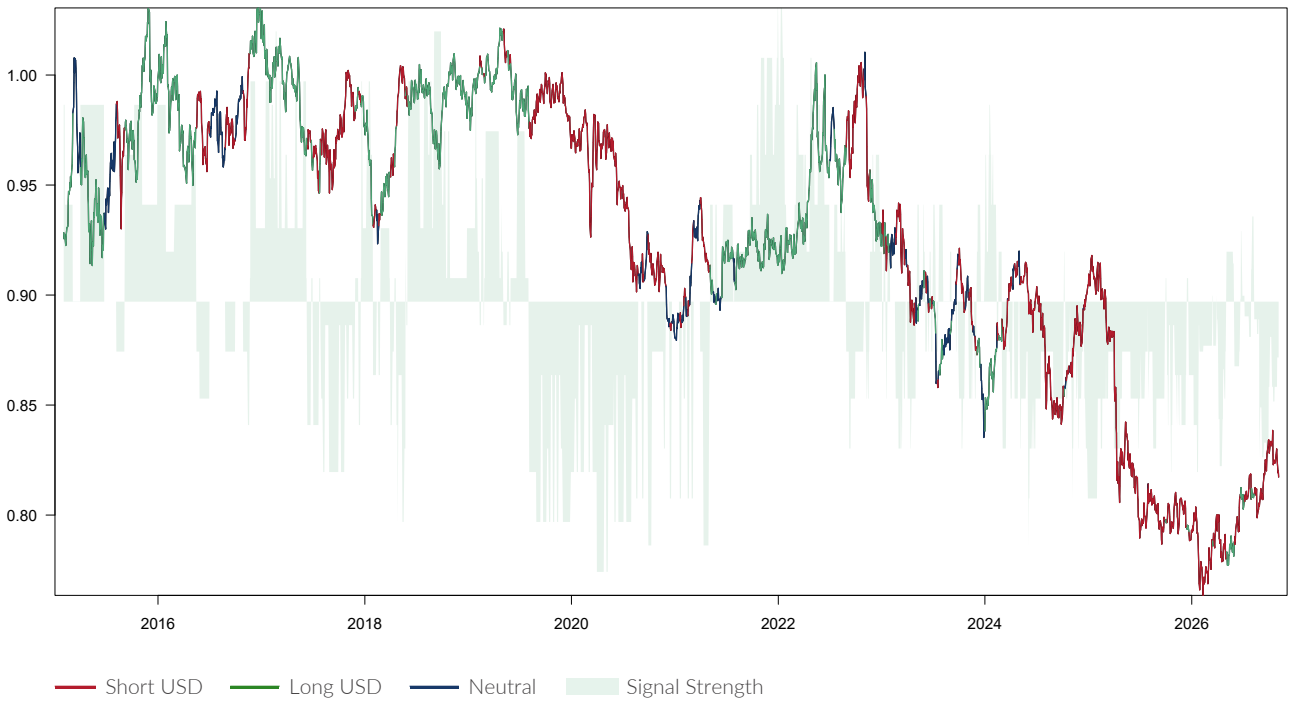
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USDCHF

Our Macro positions short EURCHF and long EURUSD imply long CHF versus the USD. Swiss inflation is still low but rising. We do not expect the SNB to hike rates this year, but we think the pendulum has moved from an easing bias to a tightening bias. We also believe the SNB has become more relaxed about CHF strength, given the recent weakness and changes in macro and policy conditions. As a result, we expect no major FX interventions also to avoid escalating the conflict with the US. The main downside risk for the CHF versus the USD is the attractive funding position for carry trades, but possible tensions in the Euro-area and a general unwind of carry trades could reduce or eliminate that risk. The long CHF Business Sentiment position increased and Technical remained short CHF, leaving the balance 50% long CHF versus the USD.

	FX Factors	CHF Impact	Comment
Macro	Current Account Balances	+	Surplus remains steady support for CHF despite higher oil prices
	Interest Rate Differentials	0/–	SNB expected to keep interest rates unchanged until year end
	SNB Policy Intervention	0	Limited risk of sizable SNB FX interventions
Sentiment	Business Sentiment	+	The Swiss economy moved ahead of the US economy in the surveys
	Risk Sentiment	0	Tensions in the Euro-area could revive the CHF's safe-haven appeal
Technical	Price Action	–	Technical stayed short CHF
	Spec Positions	0	The CHF remains oversold but not extreme
	PPP Valuation	0	The CHF is 7% undervalued versus the USD

USDCHF and QCAM Strategic Positioning



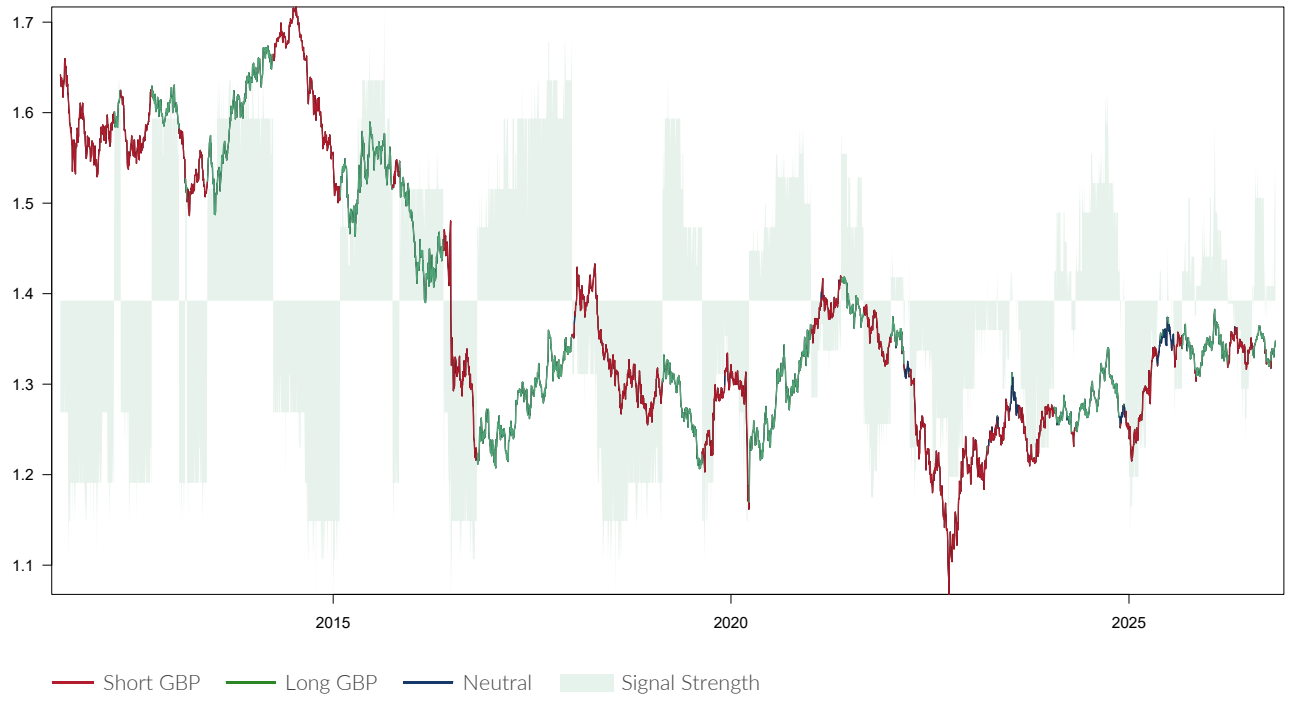
Source: QCAM Currency Asset Management

GBPUSD

We moved the discretionary Macro position to long GBP on a generally more bearish USD view (see Insight page 1). Sentiment has improved given hopes that newly elected PM Burnham will do a better job than his predecessor. The economy has been resilient but the negative fallout from BREXIT remains a challenge. Thus, signs of some reproachment with the EU are encouraging. Inflation remains a challenge and we expect the BoE to tighten policy in line the Fed. The twin deficits and a negative net international investment position are structural handicaps for the GBP, but the GBP is also extremely oversold and well positioned to rally in a generally more bearish USD environment. The long GBP Business Sentiment position increased and Technical went long GBP as well, leaving the overall strategy position at 55% long GBP.

	FX Factors	GBP Impact	Comment
Macro	Current Account Balances	0/–	The UK deficit is expected to remain elevated
	Interest Rate Differentials	0	UK rates are in the range of US rates and BoE and Fed are similarly likely to hike rates over the next six months
Sentiment	Business Sentiment	+	Momentum in UK surveys moved ahead of US surveys
	Risk Sentiment	0	Burnham's election as PM has reduced political pessimism
Technical	Price Action	+	Technical went long GBP
	Spec Positions	+	The net short GBP position remains extremely large
	PPP Valuation	0/+	The GBP is 12% undervalued

GBPUSD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

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EURSEK

We keep the discretionary Macro position at neutral. Economic conditions have improved significantly despite the negative oil supply shock. The SEK could also benefit from rising fiscal and political uncertainties in the Euro-area but is also more vulnerable when global risk aversion or commodity prices rise. The Macro interest rate model stayed short SEK, Business Sentiment remained long SEK and Technical went short SEK, leaving the overall position slightly short SEK versus the EUR. We are long SEK versus the USD given the long EURUSD Macro position. We think the SEK is well positioned to benefit from a generally more bearish USD environment and with the support from its current account surplus and large positive net international investment position.

	FX Factors	SEK Impact	Comment
Macro	Current Account Balances	0/+	Sweden's surplus declined somewhat on rising energy prices but remains large
	Interest Rate Differentials	–	The Macro interest rate model stayed short SEK
Sentiment	Business Sentiment	+	Surveys remain long SEK
	Risk Sentiment	0	Risk factors seem balanced at the moment
Technical	Price Action	–	Technical stayed short SEK
	PPP Valuation	+	The SEK is roughly 24% undervalued versus the EUR

EURSEK and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

USDCAD

We moved the discretionary Macro position to long CAD. Canada is likely to be a key beneficiary of the political shift in the US after the mid-term elections. We expect a notable improvement in the political and economic relationship between the two countries. On the other hand, Canada continues to benefit from the oil supply disruptions caused by the Iran war, which has turned its current account into a surplus. Canadian inflation is below US inflation and the BoC is expected to keep interest rates well below the Fed funds rate. Market sentiment towards the CAD has improved with net speculative short positions declining significantly. The long CAD Business Sentiment position increased, while Technical remained short CAD, leaving the balance of all strategy positions at neutral.

	FX Factors	CAD Impact	Comment
lacro	Current Account Balances	0/+	Canada's current account shifted to a surplus on increased oil export revenues
	Interest Rate Differentials	–	CAD interest rates to remain lower versus USD interest rates
entiment	Business Sentiment	+	Canada has regained momentum versus the US in the surveys
	Risk Sentiment	0	Tensions with the US likely to ease post mid-term elections
echnical	Price Action	–	Technical stayed short CAD
	Spec Positions	0	The CAD oversold position has declined significantly
	PPP Valuation	0	CAD is about 13% undervalued versus the USD

USDCAD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

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QCAM Products and Services

Our edge derives from a focus on professional currency management, the absolute transparency and the careful examination of risk. It is our mission to offer our clients innovative transparent solutions, in a thoughtful and risk-controlled environment, and to surpass investment goals.



Currency Overlay

Risks under control – opportunities in sight: QCAM Currency Overlay offers customised solutions for individual needs and investment goals. Our Passive Overlay focuses on risk management, reduction of transaction costs and the customer specific management of resulting cash flows.
Our Dynamic Overlay aims to generate returns based on QCAM´s proprietary FX Analytics, embedded in a strict risk budgeting framework.

FX Best Execution

With larger foreign currency transactions, even a small difference in pricing leads to a major impact on costs and revenues. While it is unattainable for most players to keep the full overview of the deals available in the market, independence and transparency are essential. We carry out a Transaction Cost Analysis for our clients to evaluate potential cost savings. Also, QCAM assists its clients in the design of an optimal multibank-setup and conducts clients FX transactions, independently and in the client's best interests.





Short Term Fixed Income USD: Strategy & Fund

Built around top-tier Swiss credit, the strategy offers an attractive alternative to traditional money market funds and time deposits. It combines capital preservation, high liquidity and a long-standing track record of consistent outperformance versus USD money market benchmarks. The Swiss-regulated fund was launched in partnership with UBS Switzerland in April 2025 with USD 1 billion in seed capital. While the base currency is USD, fully currency-hedged CHF, EUR and GBP share classes provide flexible implementation while maintaining the same underlying portfolio and risk profile.

FX Alpha

Currencies as an attractive portfolio diversification via QCAM FX BIAS. The focus on QCAM's Business Intelligence Alpha Strategy is on business indicators which we have successfully used for many years. The strategy is market-neutral, no specific market environment necessary. Diversification via a pool of ten different currencies and their respective trading signals.



QCAM Profile

About us

QCAM Currency Asset Management AG is an independent financial services provider with focus on currency and money market management. QCAM brings together a team of internationally experienced Currency and Asset Management specialists, who are managing assets of institutional clients of approx. USD 9 billion.

Our core competences are Currency Overlay Services, FX Transaction Execution according to «Best Execution» principles, FX Alpha and Short Term Fixed Income Management.

Long-standing customers of QCAM are pension funds, family offices, investment funds, companies, NGOs and HNWIs.

Headquarters

Zug, Switzerland

Founded

2005

Regulation

FINMA since 2007
SEC since 2014

Independent and Transparent

- Interests directly aligned with those of our clients
- Client focused solutions, tailored to individual requirements
- Independent selection of suitable external services providers
- No principal-agent conflicts
- Transparent fee model – no hidden costs
- Transparent reporting

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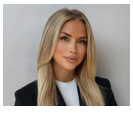
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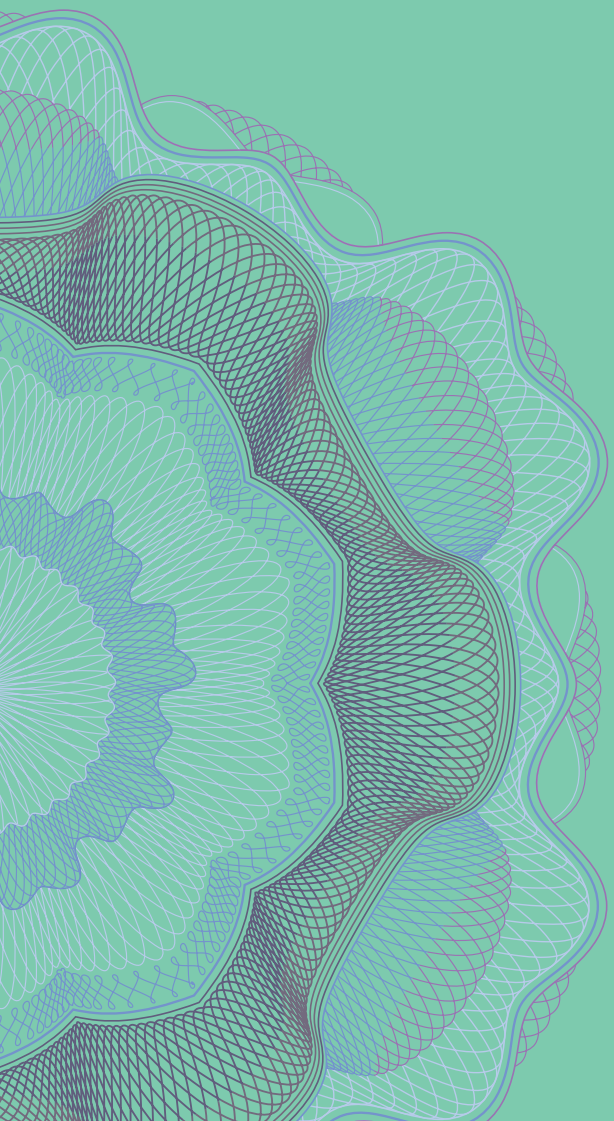
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«The QCAM MONTHLY has been created by our team, based on our own expertise and without the use of generative AI»

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